DOCUMENT RESUME

ED 056 307 AC 012 083

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TITLE Proprietary Schools and Educational Planning. A Staff Report.
INSTITUTION Educational Coordinating Council, Salem, Oreg.
REPORT NO ECC-68-70
PUB DATE Oct 70
NOTE 51p.

EDRS PRICE MF-$0.65 HC-$3.29
DESCRIPTORS Business; Comparative Analysis; Educational Legislation; *Educational Planning; Industry; *Proprietary Schools; Public Schools; *Questionnaires; Skill Development; *State School District Relationship; Student Opinion; Surveys; *Vocational Education

ABSTRACT

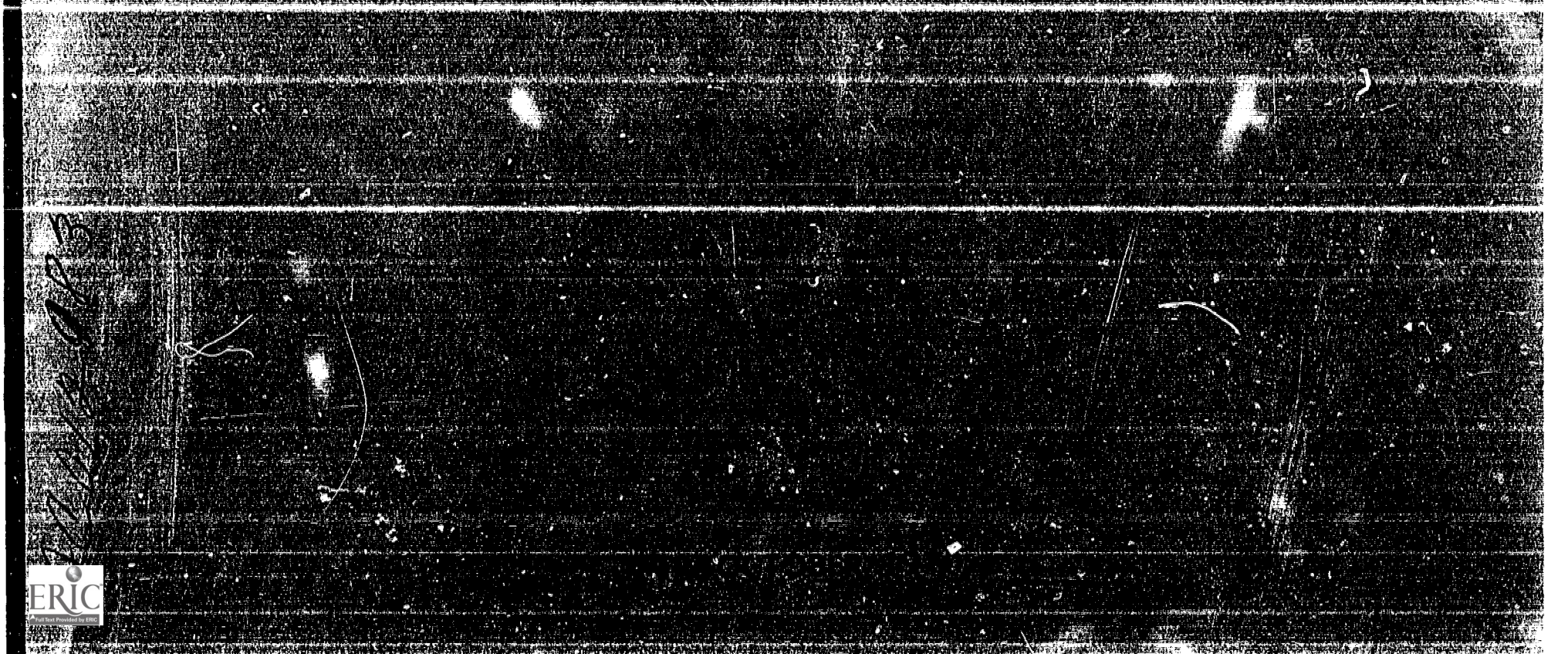
Proprietary schools fill an important gap in post-high school education. Because it is profit-oriented, the proprietary school is forced to provide new and unusual programs for the benefit of employers and students. The simple factor of specialization affords these schools an advantage over public schools. Other advantages, as reported by students, are: (1) Students can usually start a class within a week after enrolling; (2) Course completion can be achieved within a relatively short period of time; (3) The curriculum is usually entirely skill-oriented; (4) Assistance is available in securing employment after training; (5) Deferred payment plans are of direct financial assistance to the students. The potential of these schools, however, is inhibited because they are not status symbols and those who attend them are from the less powerful and less vocal groups in society. Recently, a movement by business has developed to view the proprietary school as a sound investment. A number of corporations have entered the proprietary school business. As states assume responsibility for appropriate regulation of these schools, their potential may be more completely realized. This study faced a fundamental problem when it looked to other states for leadership in "coordinating council-proprietary school relationships." The summary of the 50-state questionnaire survey regarding proprietary schools reveals that other states do not have organizations clearly comparable to the Oregon Educational Coordination Council. Replies to the questionnaire are summarized. (CK)

ECC: 68-70

OREGON
Educational
Coordinating
Council

A STAFF REPORT

PROPRIETARY SCHOOLS AND EDUCATIONAL PLANNING



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PROPRIETARY SCHOOLS AND EDUCATIONAL PLANNING

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October 1970

PREFACE

It has been obvious for a long time that the development of educational resources cannot concentrate on public and independent higher education exclusively. In 1969 proprietary schools in Oregon enrolled more than twenty-five thousand individuals in technical and vocational programs. Reasonable estimates indicate that students spent more than one million dollars in these schools and approximately six thousand jobs were filled by proprietary graduates. The fact that these schools earn a profit for the owners distinguishes them from other segments of education. A candid appraisal of the profit motive, however, cannot rationalize their exclusion from consideration as a real educational resource. It is no longer possible to ignore proprietary institutions in the assessment of educational resources in the state of Oregon.

In order to include proprietary education more fully in planning, the Educational Coordinating Council convened an Ad Hoc Committee on Private Vocational Schools in April, 1969. This Committee submitted a report entitled "The Proprietary School in Oregon", which clearly described the need to provide machinery for regularizing relations between proprietary schools and other segments of education. In April, 1970, the Council's Research and Management Data Committee adopted an "articulation formula" for the purpose of gathering enrollment data in a form compatible with degree-granting institutions. For the first time, this information will be published in the Council's annual publication, "Post-Secondary Enrollment Distributions in Oregon", in the spring of 1971.

Further steps in the incorporation of proprietary education into comprehensive educational planning in Oregon was seen to be contingent upon an exploration of the relations between proprietary schools and state educational planning agencies. For this purpose, the Council engaged the services of the Bureau of Educational Research, School of Education, University of Oregon, to conduct the study summarized here. The Bureau was asked to:

1. Prepare a bibliography of published reports on relationships existing between proprietary education and state educational planning groups;
2. Investigate the present formal or informal involvement of proprietary institutions with state educational planning groups;
3. Identify the posture of Oregon and national proprietary school associations as to their desired involvement in state educational planning groups as well as their current efforts to move in that direction; and
4. Identify existing or evolving patterns of state and/or Federal support for proprietary educational institutions.

The sense of urgency with which the Council began its efforts with proprietary education in 1969 is only enhanced by the results of this study.

Robert D. Peck
Assistant Director

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CHAPTER I

INTRODUCTION

Vocational education began when father trained son to carry on the family enterprise. The Industrial Revolution and subsequent advancements in technology have accentuated the need for meaningful programs of vocational education. The shortage of skilled labor during World War II resulted in pressure on industry to turn to training programs which were specialized in subject matter and brief in duration.

Fulton (p. 1023, Encyclopedia of Educational Research, 1969) notes that Benjamin Franklin Foster established the first American proprietary school, Foster's Commercial School, in Boston about 1827. By the close of the nineteenth century the commercial proprietary school movement had grown to the place where proprietary business schools had enrolled 71,000 students. In 1881 President Garfield said, "The business colleges which this country has originated are a protest against that capital defect in our schools and colleges which consists in their refusal to give a training for business life." (Fulton, 1023-4).

Edward Chase's 1963 article on "Learning To Be Unemployable" (quoted by Barlow, p. 15) states that

> Good auto mechanics, . . . plumbers, . . . and business-machine repairmen are hard to find. They will be even scarcer in the years ahead unless we stop training young people in obsolete skills and start preparing them for real jobs which remain unfilled while millions are unemployed.

The crisis period represented by World War II and the years following witnessed a tremendous expansion of the proprietary school movement. Clark and Sloan (Classrooms on Main Street, pp. 4-7) report that such schools frequently are the sole source of training for certain vocations. There were more than 35,000 "specialty" proprietary schools in the United States in 1964, totaling more than the number of public and private secondary schools and institutions of higher education in the entire nation. The enrollment in the mid 1960's is estimated to be well over five million students, with expended annual tuition exceeding $125 million.

Proprietary Schools Today

Proprietary schools today are classified as those which are privately owned and managed and which in addition to being service-oriented are profit-motivated. These schools fill an important gap in post-high school educational programs for several reasons. By their very nature they tend to seek out and to meet the vocational training needs of business and industry years before the public schools do so. As a result, proprietary schools often are the sole source of training for certain vocations.

In order to attract students, the vocationally oriented proprietary school must experiment with new courses preparing students for new vocations. Because it is profit-oriented, the proprietary school is forced to provide new and unusual programs for the benefit of employers and students if it is to survive. On the other hand, public schools, because of their responsibility to a broader cultural education, tend to be slower to experiment in the area of vocational education. After proprietary schools have experimented in new vocational fields and their offering has proved successful, public schools may be forced to assume a responsibility that previously was carried out by proprietary schools alone.

This factor has led some public school personnel to think that vocational education can largely be abandoned in the public schools and assumed both by proprietary schools and by big-business employers. It is still questionable, however, to what degree the public will approve of its schools contracting with private entrepreneurs for specialized educational services. On the other hand, Fawcett states that, ". . . the temptation to shift responsibility for vocational education to non-public agencies has been almost irresistible" (p. 244). The reason for this situation is obvious: vocational education is expensive. Facilities are costly because equipment is both special and subject to high obsolescence, and because the ratio of enrollment to instructional personnel is not advantageous to the total school program. Also, it is most difficult for certificated instructors to keep up with new processes, new procedures, and new machinery. In contrast, "specialty proprietary schools" ordinarily are alert to new skills, techniques, and procedures as they emerge. Not infrequently such schools have a "pipeline" into industry not developed by public education.

The simple factor of specialization affords the proprietary school an advantage over public schools. Such an institution is less hampered by the red tape of credit hours, term enrollment schedules, and regulations relative to teacher certification. Concentration on the training of one specific skill or certain related skills may be instrumental in providing the proprietary school with a competitive advantage which it enjoys in relationship to public education.

Why Proprietary Schools

There are other reasons that justify the existence of proprietary schools besides the fact that vocational equipment is expensive and tends

to become obsolete in this day of rapid technological development. A technological economy demands not only entry-level training for the post-high school student but also requires training that is continuous for employees who must seek new vocational skills. In addition, proprietary specialty schools perform a valuable service by filling a vocational training gap for new vocations which conventional schools find it difficult to meet.

From the point of view of the student, the proprietary school has several attractions which apparently outweigh the substantial tuition costs involved. Reports from students indicate the following advantages:

1. Students like the fact that they can usually start a class within a week after enrolling.
2. The course length is such that completion can be achieved within a relatively short period of time.
3. The curriculum usually is entirely skill-oriented and free from what students consider "nonessential subjects."
4. Assistance is available in securing employment after training.
5. Deferred payment plans are of direct financial assistance to the students.

Problems and Potential

Three unfortunate tendencies inhibit the potential of the proprietary schools. The American public tends to look upon vocational-technical training as a stepchild of the educational system. Our prestige-conscious nation tends to worship at the altar of academic learning. Students engaged in vocational programs tend to be drawn from the less powerful and less vocal groups in society.

Just as any positive or negative statement about public education might be true somewhere, any positive or negative statement about proprietary schools also will be true somewhere. With some 35,000 proprietary schools in the United States it is normal to expect some abuses. Schools which must depend upon their own income for survival and schools which are competing for business in an era of ever-mounting costs may find themselves on occasion tempted not to be models of ethical behavior.

It also is probable that the unevenness in the quality and the standards of proprietary schools may be directly related to state licensing and accreditation practices. Because all states do not have adequate regulations, it is possible in some areas for new schools interested in immediate profits to operate relatively unhindered. Where states meet their responsibility to regulate all educational functions within their borders, the public can be protected and an increasing number of proprietary schools will be offering specialized instruction which often may be superior to that found in the public school.

As states assume their responsibility for appropriate regulation of proprietary schools, the potential of these schools may be more completely realized. It is especially noteworthy that proprietary schools can currently accommodate approximately one-half million additional students in their present facilities.

Franchising of Proprietary Schools

Recently a movement by business has developed to view the proprietary school--the specialized training school operated for profit--as a sound investment. Belitsky notes that "A Bank of America study has shown that a properly run proprietary school can be a sound investment" (p. 51). As a

result, a number of corporations have entered the proprietary school business, purchasing such schools simply as an investment. McCollum reports that such corporations as General Electric in Cleveland, Continental Can in New York City, and the Michigan Bell Telephone Company have become involved in such ventures. It is also reported that Philco-Ford, ITT, and Ryder Corporation are now buying or franchising local proprietary schools from a purely business investment basis and not for the training of their own employees. Ryder Corporation at present owns 15 such schools and plans to add approximately 80 within five years. Bo sky notes that some 11 corporations own at least 67 schools in the United States (p. 51). Franchising has also become big business with the most prominent organizations franchising schools operating in the computer programming and data processing areas. By April, 1968, the Electronic Computer Programming Institute had franchised more than 90 schools in the United States, two in London and one in Canada, and it anticipated having 110 by the end of 1968. Westinghouse Learning Corporation, H & R Block (tax assistance), and Barbizon International (modeling schools) also are actively engaged in franchising local schools or training programs.

Such developments easily can change the image of proprietary schools from a very loose alliance to a federation of powerful interests that may have to be acknowledged in future statewide educational planning. Each state would be well advised now to plan appropriate ways to relate to or cooperate with this growing junior member of the education family.

In addition to the franchising of new schools, financial interests are moving toward the chain operation of proprietary schools. For example, many of the major proprietary schools in Oregon have been approached within the last year with financial offers which would buy them out.

CHAPTER II

PROPRIETARY SCHOOLS AND STATE PLANNING GROUPS

This study faced a fundamental problem when it looked to other states for leadership in "coordinating council-proprietary school relationships." The summary of the 50-state questionnaire survey regarding proprietary schools reveals that other states do not have organizations clearly comparable to the Oregon Educational Coordinating Council. The two states (Georgia and Massachusetts) that have councils somewhat similar either have very loosely knit organizations or agencies dealing only with public schools. With Oregon's Coordinating Council being on the cutting edge of statewide educational planning, it was not possible to find other states with similar, or superior coordinating organizations to light the road ahead for Oregon planning.

It also is worth noting that little seems to be known about other efforts in our nation to coordinate all levels of public and private education. Even in states that have an organization apparently similar in purpose to the Oregon Educational Coordinating Council, it was evident that some respondents of the questionnaire were often unaware of any program of educational coordination within their own state.

In spite of these difficulties, the following tables summarize answers to the proprietary school questionnaire sent to each state. A reply of 96 percent was achieved through the use of follow-up questionnaires and phone calls. The accuracy and completeness of the information as compiled is dependent on the knowledge and thoroughness with which respondents treated the questionnaires.

Report on Proprietary School Questionnaire

*No Response

State	ECC Comparable Committee	Committee Relationship to Proprietary Schools	License	Permit	Accreditation	Explanation of License, Permit, Accreditation, Etc.
*Alabama	-	-	-	-	-	
*Alaska	-	-	-	-	-	
Arizona	No	-	-	-	-	State reports it has no such standards.
Arkansas	No	-	Yes	-	-	License only; no accreditation details reported.
California	No	-	Yes	Yes	Yes	Proprietary schools must be approved by Supt. of Public Instruction; accreditation through independent agencies. For correspondence schools, agents must secure permit ($15, $10 renewal) and furnish $1,000 surety bond for each agent. Degree/diploma schools must be accredited through HEW recognized national or regional accrediting agency; $100 fee, $50 renewal. Evaluation applications--$8.
Colorado	No	-	Yes	Yes	Yes	Certificate of Approval (license) required; $25 fee plus $20,000 surety bond required. Permit for agents required--$5 plus $5,000 surety bond. State Board accredits issuing Certificate of Accreditation following visit of examining team. NATTS, National Home Study Council, and Accrediting Commission for Business Schools recognized.
Connecticut	No	-	Yes	-	-	State Board of Education requires Certificate of Approval--$50, renewal $10. Inspection required prior to renewal.
Delaware	No	-	-	-	-	No licensing, etc., with exception of institutions of higher learning reported by Delaware.
Florida	No	-	-	-	-	Florida Department of Education reports it has no authority or jurisdiction over establishment or operation of nonpublic schools.

Note: Although answer on questionnaire was "No" relative to "coordinating council," Usdan reports, "California has a Coordinating Council but its concern is in the area of Higher Education only and now viewed as a 'third force' in the area in addition to the university and the junior colleges."

*No Response

State	ECC Comparable Committee	Committee Relationship to Proprietary Schools	License	Permit	Accreditation	Explanation of License, Permit, Accreditation, Etc.
Georgia	Yes	None	-	-	-	No state standards as to licensing and accrediting proprietary schools. G.E.I.C. marginal comparison to Oregon Educational Coordinating Council, primarily in coordinating activities of boards and in planning responsibilities for education.

Note: Usdan reports that 1964 Georgia Legislature created the Georgia Educational Improvement Council which was designed primarily to provide a forum for representatives of all of the state's educational interests, representing the Governor, the General Assembly, the State Board of Education, the Board of Regents, and the Georgia citizenry. It was designed to study the constantly changing long-range educational needs of the state and to "assist in evaluating and recommending to the Governor, the General Assembly, and other appropriate agencies, plans and proposals for meeting them." The G.E.I.C. has no authority to act, has no explicit independent decision-making power. Georgia also has what is called the Georgia Education Coordinating Committee composed of representatives of the School Boards Association, the GEA, the State Board, the University System, the PTA, and two administrators organizations, and the Dean of the U. of Georgia's School of Education, meeting quarterly to discuss educational matters of common concern. The committee is voluntary and loosely knit and no group is bound by its decisions; also it has no permanent staff or resources of its own, carrying on no independent research and issuing no publications--simply providing a forum at which state educational leaders can get together and talk things through.

Report on Proprietary School Questionnaire (Cont'd)

*No Response

State	ECC Comparable Committee	Committee Relationship to Proprietary Schools	License	Permit	Accreditation	Explanation of License, Permit, Accreditation, Etc.
Hawaii	No	-	Yes	-	-	License required to operate proprietary school with inspection before license granted; $5,000 surety bond required but may be as low as $1,000 at discretion of Board. License for one year but renewable. No license fee indicated nor any fee stipulated for school agents.
Idaho	Yes	Very Little	-	Yes	-	Registration only; no minimum standards exist and no authority exists to approve such schools. Idaho's Coordinating Council functions as a coordinating, policy-making body, advisory board to the state superintendent with members same as members of State Board of Education--no lay citizens represented and virtually no relationship to proprietary schools.
Illinois	No	-	Yes	-	Yes	Required: Certificate of Approval, $75 filing fee, $37.50 renewal; Surety Bond, $10,000; Charter; Agent permits, $15 first, $7.50 renewal. Accreditation recognized if by agency approved by U. S. Office of Education of HEW. Illinois has a Private Business and Vocational Schools State Advisory Board which advises the Supt. of Public Instruction concerning establishment of course standards for private business and vocational schools. Superintendent also has an advisory council which provides him with information and advice on all matters pertaining to education in state.
Indiana	No	-	-	-	-	No information provided on questionnaire return.
*Iowa	-	-	-	-	-	

Report on Proprietary School Questionnaire (Cont'd)

*No Response

State	ECC Comparable Committee	Committee Relationship to Proprietary Schools	License	Permit	Accredi-tation	Explanation of License, Permit, Accreditation, Etc.
Kansas	No	-	Yes	Yes	Yes	Required: Permit (license), filing fee $25, good two years; corporate surety bond $1,000; accreditation by an agency recognized by U. S. Office of Education; investigation by State Board prior to issuing license with applicant school assuming responsibility for expenses of investigation. License renewal $25.
*Kentucky	-	-	-	-	-	
Louisiana	Yes	None	Yes	-	Yes	Required: License, fee $25 after Legislature passes current legislation; $10,000 surety bond filed with Dept. of Occupational Standards; $1,000 bond for solicitor (agent); certification of accreditation by an agency recognized by U. S. Office of Education with such schools not required to file for license being exempt by reason of accreditation but affidavit attesting accreditation must be file.. Louisiana has a coordinating council for higher education with overriding authority over LSU and State Board of Education in regard to higher education. State Board of Education considered to approximate somewhat the Oregon ECC. State Dept. of Education approves certain private institutions for offering instruction to veterans under VA benefits but at present no statutes on books in regard to approval of proprietary schools. One bill relative to this up for final House passage. Above license dependent upon passage of bill.
*Maine	-	-	-	-	-	

No Response

State	ECC Comparable Committee	Committee Relationship to Proprietary Schools	License	Permit	Accreditation	Explanation of License, Permit, Accreditation, Etc.
Maryland	No	-	-	Yes	-	Any nonpublic school offering instruction for a fee (specialized school) requires Department of Education approval. Board of Education standards are established and have force and effect of law. Standards presently being updated.
Massachusetts	No	-	Yes	-	-	Required: Adherence to "Rules and Regulations Governing Private Trade Schools;" License fee $100; Balance sheet in form determined including specified information. (Excellent application for "Original License to Operate a Trade School!")

Note: Usdan reports that the Willis-Harrington Commission of 1962 recommended the creation of three separate state boards to determine and coordinate educational policy, consisting of "(1) a Board of Higher Education, (2) a Board of Education, and (3) an Advisory Council on Education." The Advisory Council bears some resemblance to the Oregon ECC except that it is concerned only with public education. Usdan says that, "The purpose of the Advisory Council is to recommend policies designed to improve the performance of all public education systems in the Commonwealth; to analyze, plan, and evaluate the programs and systems used by all agencies for public education; to recommend policies which will promote and facilitate coordination, effectiveness, and efficiency in the operation of all public education systems; and to recommend for coordination by the Board of Education and the Board of Higher Education the findings of its analyses and evaluations and the substance of its plans." The Council conducts research studies and the study of vocational education is considered to be the Council's prime order of business. At present the Council is not concerned with nor responsible for education in the private sector at any level.

*No Response

State	ECC Comparable Committee	Committee Relationship to Proprietary Schools	License	Permit	Accreditation	Explanation of License, Permit, Accreditation, Etc.
Michigan	No	-	Yes	Yes	-	Required: Satisfactory operation under a temporary permit for 6 months prior to issuance of a license (no license fee indicated nor term license effective); Surety, bond or insurance, in minimum amount of $1,000; Solicitor (agent) permit ($5 fee) required with $1,000 surety bond; Certificate of Compliance for out-of-state domiciled schools. School evaluated after 6 months to determine conformity of operations with extant laws and periodic inspections by persons appointed by authorized department personnel also required.
Minnesota	No	-	Yes	-	Yes	Degree-granting schools must be accredited by North Central Assn. of Secondary Schools & Colleges and Commissioner of Education must grant permission to grant degrees. Required: License, $50 registration, $25 renewal, from Commissioner; Continuous Corporate Surety Bond in sum of $10,000; Solicitor's (Agent) Permit, $25, and solicitors' surety bond in aggregate sum totaling at least $2,000 per solicitor; Inspection (of schools) for conformity to rules, regulations and standards. Commissioner establishes guidelines for use by inspectors with inspection taking place "at any reasonable time," Governor's Vocational Advisory Council considered by state to approximate Oregon's ECC but evidence in laws does not support this. This body has some jurisdiction over proprietary schools.

Report on Proprietary School Questionnaire (Cont'd)

*No Response

State	ECC Comparable Committee	Committee Relationship to Proprietary Schools	License	Permit	Accreditation	Explanation of License, Permit, Accreditation, Etc.
Mississippi	No	-	-	-	Yes	Accreditation from state organization is "across the board to public, private, parochial, proprietary, etc." School must apply for accreditation before steps are put in motion for it.
Missouri	No	-	-	-	-	No information provided on questionnaire.
*Montana	-	-	-	-	-	
Nebraska	No	-	Yes	-	Yes	State licenses and accredits but no information provided relative to details on standards.
*Nevada	-	-	-	-	-	
New Hampshire	No	-	Yes	-	-	Required: License from State Board of Education, fee $50 maximum, renewable; Representative (agent, solicitor) license, fee $10 maximum, renewable; Performance Bond, $5,000. State reserves inspection privileges. An advisory committee, majority from proprietary schools, advises Board of Education relative to such schools.
New Jersey	No	-	Yes	Yes	-	Required: Certificate of Approval; Registration with commissioner; certificate renewable; Annual report to commissioner. Beauty culture schools licensed under State Department of Health, Board of Beauty Culture Control.
	Note: Usdan reports the creation of the New Jersey Education Coordinating Council, an interdepartmental body established to facilitate the coordination of the educational policies and programs of the state in all fields of public education. It became operational July 1967, meets quarterly, and has the responsibility to review and recommend programs and priorities to meet the total educational needs of the states and is concerned with fiscal matters in an advisory capacity.					
New Mexico	No	-	-	-	-	New legislation being drafted along these lines, to be introduced January 1971.

*No Response

State	ECC Comparable Committee	Committee Relationship to Proprietary Schools	License	Permit	Accreditation	Explanation of License, Permit, Accreditation, Etc.
New York	No	-	Yes	-	-	Required: License from State Board, fee $50, renewable, to cover cost of inspection (initial charge); Annual financial and statistical report to commissioner. Business schools, dancing schools, music schools, schools of pure or fine art and schools of dramatic art exempted. No indication of where they fit in. Report indicates possibility of comparability of State Advisory Council on Vocational Education to Oregon's ECC but evidence does not support this in any way. Proprietary schools are "considered in the 'State Plan'" but no indication of what that means.
North Carolina	No	-	-	-	-	No indication of provision for strictly proprietary schools with concern indicated only for nonpublic academic institutions. Accreditation of nonpublic schools by same standards as public schools but does not include proprietary schools.
North Dakota	No	-	-	-	-	No information provided on questionnaire.
Ohio	No	-	Yes	Yes	Yes	Required: "Certificate of Registration," fee $100 good for two years, renewal $50; Surety Bond $10,000; Agent's permit, $5, renewable; Surety bond for agent $1,000 or may be blanket bond at equivalent or aggregate of $1,000 per agent; Inspection and evaluation. Schools may award degree (B.A.) if school accredited by accrediting agency approved by U. S. Office of Education, or may award degree through another school properly accredited. Or may petition for degree-granting permission. All foregoing regulations adopted as of 7-31-70.

Report on Proprietary School Questionnaire (Cont'd)

*No Response

State	ECC Comparable Committee	Committee Relationship to Proprietary Schools	License	Permit	Accreditation	Explanation of License, Permit, Accreditation, Etc.
Oklahoma	No	-	Yes	Yes	Yes	Required: Private school license from Oklahoma Board of Private Schools, $100, renewal $50, Private school solicitor's permit from Oklahoma Board of Private Schools, $25, renewal $10; Corporate Surety Bond, $5,000. Accreditation is by State Accreditation Agency or any regional or national accrediting agency recognized by U. S. Office of Education. In Oklahoma a "private school" does not include barber schools, beauty schools. Current law effective July 1, 1970, although emergency provision put law into operation 3-16-70 following governor's signature.
Oregon	Yes	Advisory, Consultative	Yes	Yes	Yes	Required: Vocational school license, $50 renewable; Surety bond, $2,500; Agent (solicitor, representative) license or permit, $15 local, $25 non-local, renewable; Agent surety bond $1,000 local, $2,500 out-of-state. If school elects to meet minimum standards and is thus certified, it may be "accredited" in the sense that it is issued a "Certificate of Compliance." A license may be secured without necessarily meeting "minimum standards," but possession is required if school is to operate.

Report on Proprietary School Questionnaire (Cont'd)

*No Response

State	ECC Comparable Committee	Committee Relationship to Proprietary Schools	License	Permit	Accreditation	Explanation of License, Permit, Accreditation, Etc.
Pennsylvania	No	-	Yes	Yes	-	Three separate nonacademic school boards, one academic school board. State Board of Private Trade Schools--Required: License $200, renewable; Agent (solicitor, representative) permit (license) $5, renewable; Surety Bond, $10,000 but could be as low as $2,000 at discretion of Board. State Board of Private Correspondence Schools--Required: License $50, renewal $25; Surety Bond $10,000; Agent permit $5, renewable. State Board of Private Business Schools--Required: License $50, renewal $25; Surety Bond $10,000; Agent permit $5, renewable. State Board of Private Academic Schools--Required: License $50, renewal $25; Surety Bond $10,000; Agent permit $5, renewable. No indication as to accreditation requirements for private academic schools. None of these categories of schools include barber schools, beauty culture schools, flight schools, or degree granting institutions--no indication where these schools fit in or if there is any type of control.
Rhode Island	No	-	-	Yes	-	Required: Approval (in form of formal registration really constituting a permit to operate) from the State Board of Education.
South Carolina	No	-	Yes	Yes	-	Required: License from State Approval Agency. License called "credentials fee" but amount thereof not indicated; Agent permit, $5; Surety Bond, $1,000 or blanket bond in aggregate of $1,000 for each agent, solicitor or representative employed.

*No Response

State	ECC Comparable Committee	Committee Relationship to Proprietary Schools	License	Permit	Accreditation	Explanation of License, Permit, Accreditation, Etc.
South Dakota	No	-	-	Yes	-	Permit required to solicit students for courses but not specifically for operation of school; no regulations for accreditation or licensing of proprietary schools.
Tennessee	No	-	-	-	-	No information provided on questionnaire.
Texas	No	-	-	-	-	No information provided on questionnaire.
	Note: Usdan reports the establishment in 1965 of the Coordinating Board, Texas College and University System which serves as a policy-making body and is concerned only with higher education. It is a regulatory and not an advisory board.					
Utah	No	-	-	-	-	They report that they have nothing.
Vermont	No	-	-	-	-	No information provided on questionnaire.
Virginia	No	-	-	-	-	Legislation passed by 1970 General Assembly directing State Board of Education to adopt regulations to license private trade, technical, and business schools by January 31, 1971.
Washington	No	-	-	Yes	-	Required: School Registration Fee (Permit), $25, renewable; Solicitor's (Agent's) Permit, $10, renewable. No performance or surety bond required. Schools approved for veterans' training exempt from registration permit but must operate satisfactorily at least two years prior to being eligible for VA training. Discussion of a coordinating body but not on drawing board and will not equal ECC; probably will involve higher education only.

*No Response

State	ECC Comparable Committee	Committee Relationship to Proprietary Schools	License	Permit	Accreditation	Explanation of License, Permit, Accreditation, Etc.
West Virginia	No	-	Yes	-	-	Required: License permit $5, renewable; Surety Bond $1,000 but which may be blanket bond covering representatives of school in aggregate sum of $1,000 per representative. Board is to adopt rules and regulations for administration and enforcement of provisions of section of law and to establish an advisory committee of not more than 5 owners or other representatives of privately owned correspondence, business, or trade schools.
Wisconsin	No	-	-	Yes	-	Required: Approval of proprietary schools and programs of instruction for veterans by Educational Approval Board, such approval probably constituting a "permit" but apparently at no cost; Solicitor's permit, $5, renewable; Solicitor's surety bond, $1,000, or blanket bond in aggregate sum of $1,000 for each solicitor or agent or representative. Discussion of an overall coordinating body similar to ECC but no plan for formulating such as yet.
Wyoming	No	-	Yes	-	Yes	Required: License, $50, renewable, from State Department of Education; Performance Bond, $10,000; Agent's fee, $15 resident, $25 nonresident. When accrediting agency recognized by and approved by State Department, accreditation is done but only for institution conferring degrees.

Questionnaire Summary

States not responding: Alabama, Alaska, Iowa, Kentucky, Maine, Montana, Nevada

Response Percentage: 43 of 50 = 86%

Requests for copy of completed study:
Yes = 34
No = 3 (Connecticut, New Hampshire, Texas)
No Reply = 6 (Colorado, Indiana, North Dakota, Tennessee, Vermont, Washington)

Report of state organizations somewhat related to Oregon's Educational Coordinating Council:

32	No comparable or related organization
8*	Organization exists but with little functional similarity
2°	Organization exists that is somewhat comparable

*Illinois	Private Business and Vocational Schools State Advisory Board. Does not appear to be comparable or related. Executive officer is Assistant Superintendent in charge of the Division of Continuing Education. Concerned with vocational schools, is not a coordinating council.
*Idaho	No organization name given. Roy Truby, Administrative Assistant, reports that their "coordinating council" is concerned with higher education only. See report of telephone conversation, p. 22.
*Louisiana	State Board of Education reported to be comparable to ECC but evidence does not support this. Dr. E. C. Martin of Georgia reports contact with Louisiana relative to setting up some type of "coordinating council" but indicated Louisiana not receptive to such a program.
*Minnesota	Governor's Vocational Advisory Council--actually vocational only, thus clearly not comparable to Oregon's ECC.
*New York	State Advisory Council on Vocational Education. Body vocationally oriented, clearly not comparable to Oregon's ECC.
*California	Coordinating Council--somewhat comparable but concerned only in area of higher education, viewed as a "third force" in the area in addition to the university and the junior colleges.
°Georgia	Georgia Educational Improvement Council, primarily a forum for representatives of all of the state's educational interests. See report of telephone conversation with Dr. E. C. Martin, p. 22. Georgia Education Coordinating Committee, separate body from GEIC, meets quarterly, loosely knit, voluntary, and does not appear to be comparable to ECC.

Report of state organizations somewhat related to Oregon's Educational Coordinating Council (Cont'd):

°Massachusetts	Advisory Council on Education. Has some resemblance to Oregon ECC except that it is concerned only with public education. A number of its activities relative to research, data gathering, influence on policy-making, etc., are comparable to ECC. See summary on p. 12.
*New Jersey	New Jersey Education Coordinating Council, facilitates coordination of educational programs and policies of the state in all fields of public education. See p. 14.
*Texas	Coordinating Board, Texas College and University System, a policy-making body and concerned only with higher education.

One of two situations appears to exist: (1) no state has an organization clearly comparable to the Oregon Educational Coordinating Council with the barely possible exceptions of Georgia and Massachusetts; and (2) descriptive information relative to Oregon's ECC as presented may have been insufficiently clear for several states to determine whether such a comparable organization does in fact exist. Independent research supports findings under (1) above. It is likely that (a) states generally speaking do not have such an organization in the system although several are looking in that direction, but there may be evidence that (b) a clear understanding of what the ECC actually is does not exist in the minds of those replying to the questionnaire.

Report on Telephone Conversations Relative to Comparability of "Councils" with Oregon's Educational Coordinating Council

Idaho--Roy Truby, Administrative Assistant

In Idaho, vocational education and vocational schools are not within the Department of Education. The State Superintendent is by law executive secretary of the State Board of Vocational Education but by practice it has been operated by a director because there is a separate board. The board is the same in membership as the State Board of Educati but meets as a different body--members "wearing different hats."

The coordinating council started as an in-house communications system. There are three divisions: (1) Instructional Division, (2) Finance Division, and (3) General Services Division. Each division has a deputy superintendent in charge. The deputies of the three divisions meet with the State Superintendent, the Assistant State Superintendent, and the Administrative Assistant. Sometimes staff are included. Meetings are not closed-door meetings--are similar to school board meetings although Council may call an executive session when personnel matters are discussed. Minutes, however, are published and distributed to the professional staff. The vocational education and vocational rehabilitation directors may sit in on the Coordinating Council and are full members but do not always meet with the group. Vocational education and vocational rehabilitation are presently outside of the Department of Education but there is a question as to how long they will remain outside. No lay members (lay citizens) are on the Council.

The Task Force for Legislative Planning is made up mostly of lay citizens who advise the State Board on legislative priorities, funding, etc. Several members in the Department work with the Task Force. The Task Force makes recommendations to the State Board. It is an ad hoc committee and when its report is made to the State Board, it is defunct, at least until the succeeding session of Legislature. Its official name is the Public School Legislative Task Force. Mr. Truby feels that this organization may have more similarities to the Educational Coordinating Council than does the so-called Idaho Coordinating Council.

Georgia--Dr. E. C. Martin, Director, Georgia Educational Improvement Council

The Coordinating Council was created in 1964 as a separate state agency as a resul of the governor's study for the improvement of education. Two things were evident as a result of this study: (1) Georgia has a very strong Board of Regents responsible for higher education (not including vocational-technical institutions) but including junior colleges (not public junior colleges). The State Board of Education is responsible for all secondary and elementary education. Both boards are powerful but there was little communication reported between these boards. The Council was created for three purposes: (a) to coordinate the activities of the Board of Education and the Board of Regents. The practical implications are that this is impossible, so this simply means keeping lines of communication open between these boards; (b) to be responsible for long-range planning in education--that which is not specifically related to other functions of a board of education. For example, if something is just for University of Georgia, the Council would not be involved. However, if the matter is nursing education, Council would be involved because nursing education is in the vocational schools, junior colleges as well as the universities; and (e) to work with members of the General Assembly as an unbiased source of information for various information committees of the House and Senate.

States Issuing Licenses, Permits, or Accrediting Proprietary Schools

States issuing licenses only to proprietary or similar schools:

Arkansas	Hawaii	New Hampshire	West Virginia
Connecticut	Massachusetts	New York	

States issuing permits only (often permits are issued to agents or solicitors only):

Idaho	Rhode Island	Wisconsin
Maryland	South Dakota	Washington

States accrediting only:

Mississippi

States utilizing licenses, permits, and accreditation--all three:

California	Kansas	Oklahoma
Colorado	Ohio	Oregon*

States utilizing licenses and permits only:

Michigan	New Jersey	Pennsylvania	So. Carolina

States utilizing licensing and accreditation only:

Illinois	Minnesota	Wyoming
Louisiana	Nebraska	

States not replying relative to licensing, permits, or accreditation:

Arizona	Georgia	New Mexico	Tennessee	Vermont
Delaware	Indiana	No. Carolina	Texas	Virginia
Florida	Missouri	No. Dakota	Utah	

*Certificate of Compliance considered as accreditation

Cost of Permits, Licenses, Fees,
Renewals, Surety Bonds, Etc.

State	Agent's Permit	Agent Surety Bond	School License	School Surety Bond
Arizona	--	--	--	No regulations
Arkansas	--	--	(cost not given)	No regulations
California	$15, $10 renewal	$1,000	$100, $50 renewal	--
Colorado	$ 5	$5,000	$ 25	$20,000
Connecticut	--	--	$ 50, $10 renewal	--
Delaware	--	--	--	No regulations
Florida	--	--	--	No regulations
Georgia	--	--	--	No regulations
Hawaii	--	--	(cost not given)	$5,000, but low as $1,000
Idaho	--	--	--	No regulations
Illinois	$15, $7.50 renewal	--	$ 55, $37.50 renewal	$10,000
Indiana	--	--	--	No regulations
Kansas	--	--	$ 25	$1,000
Louisiana	--	$1,000	$ 25	$10,000
Maryland	--	--	--	No regulations
Massachusetts	--	--	$100	--
Michigan	$ 5	$1,000	--	$1,000
Minnesota	$25	$2,000	$ 50, $25 renewal	$10,000
Mississippi	--	--	--	No regulations
Missouri	--	--	--	No regulations
Nebraska	--	--	(cost not given)	No regulations
New Hampshire	$10 (maximum)	--	$ 50 maximum	$5,000
New Jersey	--	--	(cost not given)	No regulations
New Mexico	--	--	--	No regulations
New York	--	--	$ 50	--
No. Carolina	--	--	--	No regulations
No. Dakota	--	--	--	No regulations
Ohio	$ 5	$1,000	$100, $50 renewal	$10,000
Oklahoma	$25, $10 renewal	--	$100, $50 renewal	$5,000
Oregon	$15 res., $25 non-res.	$1,000 res., $2,500 non-res.	$ 50	$2,500
Pennsylvania	$ 5 (all schools)	--	$200 Pvt. trade schls. $ 50 Pvt. corres. schls. $ 50 Pvt. bus. schls. $ 50 Pvt. acad. schls.	$10,000 all schools

Cost of Permits, Licenses, Fees,
Renewals, Surety Bonds, Etc. (Cont'd)

State	Agent's Permit	Agent Surety Bond	School License	School Surety Bond
Rhode Island	--	--	--	No regulations
So. Carolina	$ 5	$1,000	--	--
So. Dakota	--	--	--	No regulations
Tennessee	--	--	--	No regulations
Texas	--	--	--	No regulations
Utah	--	--	--	No regulations
Vermont	--	--	--	No regulations
Virginia	--	--	--	No regulations
Washington	$10	--	$ 25	--
West Virginia	--	--	$ 5	$1,000
Wisconsin	$ 5	$1,000	--	--
Wyoming	$15 res., $25 non-res.	--	$ 50	$10,000

Summary

Agent's Permit: $5 to $25; renewals $5 to $10 with normal practice for renewal same as initial fee. Two states differentiate in charge for resident agents and nonresident agents.

Agent Surety Bond: $1,000 to $5,000, usually stipulated for each agent but in some cases a school may purchase a blanket surety bond which ordinarily must be in aggregate sum to equal at least $1,000 each agent.

School License Fee: $5 to $200; renewals from $5 to possibly $200; renewals commonly half of initial fee which is sometimes indicated as an initiation or registration.

School Surety Bond: $1,000 to $20,000, most commonly $10,000; occasionally designated a "performance bond" which is what it in reality is.

No Regulations: Half of states reporting fail to indicate that they have any standards or regulations governing proprietary schools. Of course, it is possible that a number of these in actuality have standards, thus the stipulation of "no regulations" cannot be taken at face value. A few states actually have indicated that they have no such standards or regulations and indicate that this is a felt need. Several states do have legislation in process to establish standards and regulatory procedures.

CHAPTER III

PROPRIETARY SCHOOLS LOOK AHEAD

As to state and federal legislation on proprietary schools, the 1960's might be described as a decade of decision concerning the recognition of these schools as a part of American education. However, the 1960's could be considered a decade of indecision by local educational organizations which failed to develop new working relationships to utilize the facilities or programs of proprietary schools.

Desired State Involvement

Proprietary schools in the decade ahead seek to become accepted as important and legitimate fiber in the overall fabric of American education. This thrust suggests the establishment and legitimization of meaningful communication between the representatives of recognized proprietary schools, public education generally and certain portions of public education specifically. For example, lines of two-way communication need to be established and maintained between proprietary schools and vocational counselors in high schools on the one hand and between curriculum leaders of both proprietary schools and community colleges on the other hand. Proprietary schools also seek representation and involvement in statewide educational planning councils such as Oregon's Educational Coordinating Council. Without this, proprietary schools continue to feel that they are second-class citizens in educational programs of any state.

More specifically, proprietary schools would like to see state departments of education encourage local school systems to undertake joint ventures in selected special areas. They would also like to see community colleges contract with proprietary schools to provide certain specialized services to students enrolled in community colleges when needed facilities are already set up in private schools. This would make additional facilities and programs to be developed in community colleges unnecessary. As far as can be determined, such arrangements have been made in Oregon on only one occasion. This was between Lane Community College and a business proprietary school in Eugene.

Desired Federal Involvement

Proprietary schools also seek greater financial assistance through various federal programs. As a general rule, direct subsidies to schools are not sought, but government programs that benefit students directly either through loans or grants are favored. Subsidies direct to schools are sought by a very small percentage of proprietary schools.

Under authority of the Vocational Education Act of 1963 as amended and clarified in 1968, vocational education funds dispersed through state departments of education could be used for the training of selected students in proprietary schools. Richard Fulton, Executive Director of the United Business Schools Association in Washington, D. C., reports that neither he nor the U. S. Office of Education has been able to discover any instance where dollars have been spent under a contract with any proprietary institution. It is understandable that these profit-motivated schools would like to see utilized the permissive legislation that has been on the law books for a number of years.

Report on Proprietary Vocational Schools

On August 12, 1970, the House Republican Task Force on Education and Training gave its report to Congress. This report included a number of recommendations concerning proprietary schools which the committee felt would contribute toward meeting both national manpower needs and the needs of individuals for specialized occupations.

Prior to presenting the report, Rep. John Dellenback of Oregon emphasized the need for diversity in American education and concern over the possibility of a single monolithic system of education. He expressed further concern that only lip service is given to diversity while institutions such as proprietary schools tend to be neglected. Because of the significance of this report initiated and subscribed to by 15 House Republicans, some of Representative Dellenback's introductory remarks are included on the next page, followed by the complete Task Force Report by House Republicans on Education and Training. This suggests better than any other document the thinking on the part of a number of Congressional leaders relative to proprietary vocational schools and their place in the educational program of the nation.

Report on Proprietary Vocational Schools

HON. JOHN DELLENBACK
of Oregon

in the House of Representatives
Wednesday, August 12, 1970

The value of occupational training cannot be overemphasized. We know, for example, that some 80 percent of our young people do not graduate from college. Yet, only one student in 10, leaving the education system without a bachelor's degree, has some specific occupational preparation. This is occurring, furthermore, at a time when the Nation's economy demands more trained, skilled workers than ever before. The Labor Department, forecasting the employment situation for the 1970's, estimated that the demand for technical workers will increase by about 45 percent--twice as fast as demand for all workers; that the demand for white-collar workers will increase by about 50 percent--technological advances and computers will not solve clerical shortages, and that shortages of engineering graduates will require continued upgrading of skilled technicians. While we will be short on the trained, skilled workers we need, we will have a rough overall balance between the supply and demand for college-educated personnel. Clearly, therefore, our most pressing manpower needs in the 1970's will come in the subbaccalaureate skilled, technical, clerical, and paraprofessional occupations.

As our report shows, the Education and Training Task Force feels that the more than 7,000 proprietary vocational schools are doing a great deal to help meet these national needs. Of the more than 1.5 million students enrolling each year, 70 percent complete their training--as compared with only 30 to 40 percent of community college entrants and 60 percent of college entrants.

Proprietary vocational schools are too often part of the educational periphery, and the importance of the contribution that they can make is not realized or recognized. We feel that there is both room for and a need for many kinds of educational institutions in this country and that to overlook these schools as we consider Federal legislation is doing the Nation a great disservice.

Report on Proprietary Vocational Schools

(By the House Republican Task Force on Education and Training, House Republican Conference, August 12, 1970)

(Note.--Members: John Dellenback, Oregon, Chairman; James M. Collins, Texas; John N. Erienborn, Illinois; Orval Hansen, Idaho; Margaret M. Heckler, Massachusetts; Earl F. Landgrebe, Indiana; Robert H. Michel, Illinois; John T. Myers, Indiana; Albert H. Quie, Minnesota; Earl B. Ruth, North Carolina; Fred Schwengel, Iowa; William A. Steiger, Wisconsin; Fletcher Thompson, Georgia; Albert W. Watson, South Carolina, and John W. Wydler, New York.)

The House Republican Task Force on Education and Training conducted a series of visits to proprietary vocational schools during June and July, 1970. The six schools visited offered a wide range or programs--medical technology, dental technology, hotel management, dry cleaning operations, electronics engineering technology, investment operations, broadcasting. Although we realize that visiting these six schools does not represent an extensive study, our research and discussions with representatives of the proprietary school movement contributed to a further understanding of the role and purposes of these schools.

Overview of Proprietary Vocational Schools

A 1966 study reports a total of 7,071 private vocational schools serving 1,563,556 students. About 80 percent of these students attended trade, technical and business schools; the remainder were concentrated in cosmetology and barber schools. The students are drawn largely from the lower socio-economic background level, but they rank in the upper three-fourths of their high school graduating classes for the most part. Seventy-five percent of the students at trade and technical schools come from more than 100 miles away from the school; less than half of business school students live at home. About 70 percent of those entering proprietary vocational schools complete their training, as compared with only 30 percent to 40 percent of community college students.

The average enrollment is rather small in each school. Business schools enrolled fewer than 350 students on an average while trade and technical schools averaged 20 percent smaller. The small size is partly due to the importance of small classrooms for practical work, the wide geographic distribution of these schools and

their primary focus on specialized occupations. According to a survey of the National Association of Trade and Technical Schools, however, these schools are operating at only 60 percent of their capacity. Consequently, it is estimated that trade and technical schools could accommodate one-half million more students without expansion of their facilities.

Proprietary vocational schools offer a wide variety of courses in practically every imaginable occupational category--the total number of separate courses is about 1,500. Tuition charges range anywhere from $100 to $4,500 per course; the average tuition is approximately $850 to $900 annually.

Course Content

A heavy emphasis on the job being trained for characterizes most proprietary programs. The instruction is specialized and concentrates on the employment goal--students study only what they will need to know on the job. The theoretical implications of their jobs are dealt with only lightly, and liberal arts is almost nonexistent. As a result of the employment emphasis, these schools maintain close contact with industry so that they can revise their curriculum in response to technological improvements and changes in labor market demands. (Because it is not necessary to get approval from large administrative bureaucracies or school boards, even major curriculum changes can be instituted in very short periods of time.) Training is provided by practical experience, and little formal education is required for entrance into these schools.

Instruction

Instructors consider their students as clients; a considerable number of failures in one instructor's course is an indication of the instructor's failure. Teaching capability is the main criterion for reward and advancement; tenure is usually not given. Small classes and individualized instruction are the norm--the average class size is 19 students. Teachers often assume the role of counselors since there is a significant lack of adequate counseling both at the secondary and post-secondary level.

Students

The average age of day students is 20 years while it is 26 or older for night students. The general age range is 17 to 48 years. The advantage of these private vocational schools is their extreme flexibility in accepting students. There are no stringent requirements; consequently, people of varying backgrounds and levels of

education are able to attend--this provides a special opportunity for poor and minority groups. The average course length is 40 weeks; courses are begun as soon as there is a sufficient number of students who are interested in one field. Students are usually able to pay for their education by means of installments rather than lump-sum payments. The major challenge for students in private vocational schools is securing adequate funds to finance its expenses. Only a small minority of students attending technical schools can rely upon their parents or personal savings to pay for their entire schooling--most students work full or part time to finance educational costs.

Student bodies include:

1. High school dropouts with no occupational training.
2. High school graduates of a general education program who lack any specific preparation for employment.
3. High school graduates who fail to pass the private schools' aptitude tests in algebra or even arithmetic.
4. Persons preparing for a licensable occupation.
5. College dropouts or even college students and graduates, desiring an otherwise unavailable course, such as computer programming.
6. Persons for whom the formal education requirement is eased because they have had several years of employment experience but are currently unemployed or finding it difficult, for physical reasons, to remain in their present occupations.

Accreditation

Licensing of proprietary technical schools amounts to merely a permit to do business in a given state. It signifies that safety and commercial standards have been met but makes no implications as to the educational content of the schools' activities. Certification is related to curricular, staff, facilities and the like and may require the approval of the State Department of Education, Accreditation, however, signifies a thorough inspection and evaluation at least every five years by a U. S. Office of Education recognized accrediting agency. Accrediting agencies for proprietary vocational schools include the Accrediting Commission for Business Schools, the Accrediting Commission of the National Home Study Council, the Accrediting Commission of the National Association of Trade and Technical Schools, the Accrediting Bureau for Medical Laboratory Schools, the Cosmetology Accrediting Commission, and the National Association for Practical Nurse Education and Service, Inc.

Administration

Proprietary vocational schools are organized as business enterprises, in one of three ways: as sole proprietorships, as partnerships, or as business corporations.

In 1962, some 66 percent were corporations. Another recent development has occurred as large publicly held corporations have purchased proprietary vocational schools to operate them as subsidiaries. Examples are the Rochester Business Institute now owned by Lea-Siegler Corporation and the DeVry Technical Institute owned by Bell and Howell Corporation. A properly run proprietary school can yield an estimated return of 9-15 percent of gross annual income after taxes.

Comparison with Community Colleges

It is often asked why students are willing to pay such high fees ($900 average), often at great personal and family sacrifice, to attend proprietary vocational schools when similar courses are available at no or low cost at local community colleges. Students interviewed by the Stanford Research Institute and by the Task Force gave three reasons:

1. Time: First, course length in proprietary schools is very short, usually falling between four months to a year. The same program in a community college would take two years and mean a loss of possible earnings during the additional period. Second, frequent registration for classes permits entry every few weeks in contrast to waiting for a new semester in a public institution.
2. Course content: Proprietary schools' courses concentrate on teaching only the job skills necessary to specific job goals, whereas the public school philosophy requires concurrent study of non-vocational subjects, often the very subjects in which students were unsuccessful in high school.
3. Placement service: The schools, with apparent considerable success, assist their graduates in obtaining job interviews and employment since continuation of the school as a business enterprise depends upon successful placement. Most schools offer a lifetime placement service.

Participation in Federal Programs

Present public policy in federal legislation on education (as distinguished from transportation, defense and agriculture) limits grants and subsidies to public and non-profit institutions. However, aid to students, either directly or through "under contract training" is permitted.

Student aid:

1. Guaranteed Loan Program (Part B) of the Higher Education Act of 1965; as amended; P.L. 90-575.
2. College Work Study Program (Part C) of the Higher Education Act of 1965; as amended; P.L. 90-575.
3. National Defense Student Loan Program (Title II) of the NDEA; as amended; P.L. 90-575.

4. Income Tax Deduction for Student Dependents; 26 USC 151 (e) (4).
5. Cuban Refugee Student Loan Program; 22 USC 2601-04.
6. Social Security Student Dependents; P.L. 89-97; see Sec. 202(d) (8) (C).
7. F.E.C.A. Student Dependents; P.L. 89-488; See Sec. 10(M).
8. Railroad Retirement Student Dependents; P.L. 89-700, See Sec. 5(1) (1).
9. Student Dependency and Indemnity Compensation for Veterans' Children; 38 USC 104, 414 (c).
10. Civil Service Retirement Student Dependents; P.L. 89-504; 5 USC 2251-2268; See Sec. 2251(j) and Sec. 2260, and P.L. 89-554; Sec. 8341.
11. War Orphans Educational Assistance; 38 USC 1701 et seq.
12. Veterans Readjustment Benefits Act of 1966; P.L. 89-358; See Sec. 1652(c).
13. War Widows Educational Assistance; P.L. 90-631.
14. Vocational Loans to Indians; 25 USC 471.
15. Vocational Loans to Eskimos; 25 USC 479.

Under contract training:

1. Vocational Rehabilitation Act; 29 USC 31 et seq.
2. Manpower Development and Training Act of 1962; 24 USC 2571 et seq.
3. Indian Adult Vocational Education; 25 USC 309, 452, 823(c).
4. Economic Opportunity Act of 1964; P.L. 89-794.
5. Government Employee's Training Program; 5 USC 4101-4118.
6. Economic Development Administration; 42 USC 2583.
7. Veterans' Vocational Rehabilitation; 38 USC 1501-1511.
8. Vocational Education Act of 1963; P.L. 88-210, Sec. 8(1).
9. Social Security Title II, Public Welfare Work Training Programs (AFDC); P.L. 90-248.

Issues and Concerns Affecting Private Vocational Schools

The growing need for more skilled, trained manpower in industry and services, even during periods of high employment, has been pointed out time and time again. Traditional public education, however, has done little to meet this national need; few students leave school with an entry-level job skill. Thirty-five percent of all high school students do not graduate, 45 percent of high school graduates do not go on to higher education, and 40 percent of college entrants do not stay long enough to take a degree. Added up, this means that at least 80 percent of our young people do not graduate from college. Of those in high school only one-fourth are enrolled in a vocational education program, and only one student in ten leaving the educational system without a bachelor's degree has some specific occupational preparation.

Private vocational schools have demonstrated a capacity to meet the needs of many of these students who want to develop vocational qualifications that will enable them to meet specific occupational objectives. However, educators, school counselors, and to some extent th Federal Government, have been cool, and sometimes even antagonistic the proprietary vocational schools. Many have voiced doubts that institutions organized as business-seeking enterprises can provide a quality program. Others continue to put strong emphasis on the value of getting a four-year degree. The Federal Government is wary of appearing to provide special aid to profit-making institutions.

Yet after investigating the accredited proprietary business, trade and technical schools, the Task Force must conclude that these schools are making a major contribution both in terms of meeting the needs of individuals seeking to prepare for careers and in terms of helping to supply the reservoir of skilled manpower that is increasingly in demand. These institutions should be encouraged to continue the fine job they are now doing.

Several special advantages are offered by proprietary vocational schools. These include:

1. Ability to respond quickly to changes in the manpower needs of local business and industry--courses can be added as soon as they can be organized, without months of red tape and procedural delays.
2. Ability to respond quickly to specific needs of students--courses can also quickly be tailored to meet the needs of non-English speaking students, handicapped students, or students with other special requirements.
3. Ability to concentrate on the needs of each student--marginal students who have never experienced academic successes can proceed at their own pace and successfully complete courses which are aimed at developing practical techniques rather than theoretical knowledge; faculty members are chosen more on the basis of practical experience and consequently act as excellent teachers for such training.
4. Special introductory courses have been set up in many schools to help educationally disadvantaged students meet entrance standards.
5. As compared with public institutions seeking to fulfill the same role, the proprietary institutions' courses are significantly shorter in duration--students can complete their training and begin working in a much shorter time, thus, providing an opportunity for poor students who do not have the time or money necessary for a four year college program.
6. Proprietary institutions tend to have much more equipment, and more up-to-date equipment or the kind that students are likely to encounter on the job than do public institutions.
7. Proprietary institutions have incorporated such programs as loans, installment payments for tuition fees, and work placement in nearby business and industry to help disadvantaged students.

Despite these successful and commendable things that the proprietary vocational schools are doing, there do appear to be some problems:

1. Relatively high charges prevent many students from getting the training that proprietary institutions offer. The average cost of attending a year-long course in a proprietary school is between $850 and $900 annually. In contrast, the average cost of attending public two-year colleges, which often offer similar courses, averaged $148 per year in 1969-70. Public vocational schools are usually free.

2. Most of the students who have to drop out of private vocational schools must do so because they cannot afford the high tuition costs. Students at proprietary schools are not eligible for equal opportunity grants, and the student loan situation is extremely difficult in today's tight economy. Part or full-time jobs are about the only alternatives available in the absence of loans.

3. Not all private vocational schools are accredited or eligible for accreditation. This makes it difficult for students, their parents and others to assess the quality of the programs provided by unaccredited institutions.

Recommendations

1. Students attending proprietary vocational schools should receive the same treatment in terms of eligibility for student aid as students attending two- and four-year colleges and universities.

We recommend that all student aid legislation which is enacted be extended to include students pursuing occupational preparation programs, including programs operated by proprietary vocational schools. A specific case in point is the Education Opportunity Grant program which now excludes students at proprietary institutions. This exclusion works a particular hardship on disadvantaged students who seek technical, trade or business courses at these institutions, and we therefore recommend that Education Opportunity Grants be made available to students attending proprietary vocational schools.

Proprietary vocational schools can participate in the NDEA Student Loan Program only when the appropriation for that program exceeds $190 million (FY 1971 will be the first year that proprietary schools can participate.) We feel that this restriction should be liberalized by deleting the $190 million triggering devices and by funding applications from proprietary schools at the same level in relation to applications as other eligible institutions.

Some confusion has resulted as to the eligibility of proprietary school students under existing and proposed student aid programs. To eliminate this difficulty in the future as to the eligibility of students to participate in such programs, we recommend that a single, simplified working definition of "eligible institution" be adopted to pertain to all programs of student aid.

2. The U. S. Office of Education should collect and make public data concerning proprietary vocational schools.

These schools are performing a valuable and needed function, yet it is not possible to secure information concerning the numbers of students helped, the amount of aid provided, or the numbers and types of institutions involved--information needed if Congress is to make wise decisions regarding the relationship of federal programs to these institutions. Furthermore, objectives, factual information concerning individual proprietary vocational schools--both accredited and non-accredited--is not readily available, and the consumer may suffer from this lack of information by choosing a poor quality school or one which does not meet his particular needs.

We recommend that the U. S. Office of Education begin immediately to collect and make public both kinds of data, and that efforts be started to develop effective means of disseminating information regarding proprietary schools to prospective students, high school and college counselors and vocational rehabilitation and manpower agency administrators.

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* Excellent Reference
+ Some Value
° Not Too Helpful

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APPENDIX

UNIVERSITY OF OREGON

College of Education
BUREAU OF EDUCATIONAL RESEARCH AND SERVICE
EUGENE, OREGON 97403
telephone (code 503) 342-1411

June 1, 1970

SAMPLE QUESTIONNAIRE

State Department of Public Instruction
Bismark, North Dakota 58501

Dear Sir:

I wish to inquire if your state has an all-encompassing educational coordinating body at all similar to Oregon's and, if so, what relationship it has with proprietary vocational schools in your state.

Our Oregon agency entitled "Educational Coordinating Council" was established by the state legislature and is devoted to the coordination of most educational efforts in the state. This includes private schools, all levels of higher education, and the public schools (Kg - 12). However, it does not now include proprietary vocational schools.

At present, the Educational Coordinating Council--with the help of the Bureau of Educational Research and Service--is studying the proprietary or profit-making vocational schools, with a view toward the establishment of mutually beneficial relationships with this segment of education.

Would you please reply to the following questions?

1) Does your state have an organization at all comparable to Oregon's Educational Coordinating Council? _____ (Name and address) _____

_____

2) What is its relationship, if any, to your state's proprietary schools _____

_____

3) What are your state standards as to licensing and accreditation of proprietary schools? (Use reverse side if necessary.) _____

_____

_____

4) Would you like a summary report of this phase of our study? _____

To whom should it be mailed? _____

Thank you for your assistance in helping us explore this important area. Please return this letter in the enclosed stamped reply envelope.

Sincerely yours,

K A Erickson

Kenneth A. Erickson, Director
Bureau of Educational Research and Service

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